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ABSTRACT

This document answers questions about the EFC (expected family contribution) formula used to determine eligibility for financial aid at institutions of higher education. Questions address the following topics: an explanation of EFC, data sources used in EFC calculations, application processing and student notification, selection of the appropriate EFC worksheet for either independent or dependent students, the definition of an independent student, qualifications for using the simplified EFC formulas, automatic qualification for a zero EFC, reasons why calculation of an EFC using the worksheets may differ from the EFC reported on the Student Aid Report. Appended are the three worksheets and tables for calculating the EFC. (DB)

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THE EFC FORMULA, 1999-2000

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THE EFC FORMULA, 1999-2000

What is the EFC?

The expected family contribution (EFC) is the amount that a family can be expected to contribute toward a student's college costs. By comparing the EFC to the student's cost of attendance, the financial aid administrator at the school can determine the student's financial need for federal student aid from the U.S. Department of Education (the Department) and from other sources. The EFC formula is used to determine need for assistance from the following Student Financial Assistance (SFA) Programs: Federal Pell Grant, Subsidized Stafford Loan (under the Direct Loan Program and the Federal Family Education Loan [FFEL] Program), and "campus-based" programs—Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Perkins Loan, and Federal Work-Study (FWS) programs. The methodology for determining the EFC is found in Part F of Title IV of the Higher Education Act of 1965, as amended (HEA). Updated tables used in the computation of the EFC for the 1999-2000 award year were published in the *Federal Register* June 1, 1998 (with corrections published October 14, 1998).

Note that the financial aid administrator puts together a financial aid package that comes as close as possible to meeting a student's need. However, because funds are limited, the amount awarded to the student may fall short of the amount of aid for which the student is eligible.

What is the source of data used in EFC calculations?

All data used to calculate a student's EFC come from the information the student provides on the Department's *Free Application for Federal Student Aid* (FAFSA). A student may submit a FAFSA (1) through the Internet by using *FAFSA on the Web*, (2) by using *FAFSA Express* software, (3) by filing an application electronically at those schools that participate in the Department's Electronic Data Exchange (EDE), or (4) by mailing a paper FAFSA. A student who applied for federal student aid in the previous award year may be eligible to apply by filing a Renewal FAFSA, either by using the paper Renewal application mailed to the student's home or through the Internet.

Applying for federal aid is free. However, to be considered for nonfederal aid, such as institutional aid, a student may have to fill out additional forms and pay a processing fee.

Who processes the application, and how is a student notified of his or her EFC?

The Department's central processing system processes the student's FAFSA and computes the EFC, based on the information the student reported. Each student will receive a *Student Aid Report* (SAR) that reports the information from the student's application and, if the information provided was complete, the student's EFC. The student is instructed to check carefully the data on the SAR to ensure that they are correct.

If corrections to the SAR are necessary, a student's school may submit the corrections electronically (if the school participates in EDE). If a student applied by mail, by using *FAFSA Express*, or by using *FAFSA on the Web*, he or she may make corrections on Part 2 of the SAR and return it to the address given at the end of Part 2. If the student applied electronically through a school and would like to make corrections to information by mail, the student must request a copy of his or her SAR from the Federal Student Aid Information Center (FSAIC) at 1-800-4FED-AID (1-800-433-3243).

Which EFC worksheet should be used?

There are three regular (full-data) formulas—(A) for the dependent student, (B) for the independent student *without* dependent(s) other than a spouse, and (C) for the independent student *with* dependent(s) other than a spouse. Also, there are three simplified versions with fewer data elements.

EFC Formula Worksheet A ..... pp. 7 through 9
Simplified Worksheet A ..... pp. 11 through 13
Tables A1 through A7 (use with Worksheet A) ..... pp. 15 through 18

EFC Formula Worksheet B ..... pp. 19 and 20
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Tables B1 through B4 (use with Worksheet B) ..... pp. 23 through 25

EFC Formula Worksheet C ..... pp. 27 and 28
Simplified Worksheet C ..... pp. 29 and 30
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What is the definition of an independent student?

Because the EFC formula for a dependent student uses parental data, while the two formulas for independent students do not, the first step in calculating a student's EFC must be to determine his or her dependency status. For the 1999-2000 award year, a student is automatically determined to be an independent applicant for federal student aid if he or she meets one of the following criteria:

- was born before January 1, 1976;
- is a veteran of the U.S. Armed Forces (see the box below);
- is enrolled in a graduate or professional program (beyond a bachelor's degree);
- is married;
- is an orphan or a ward of the court, or *was* a ward of the court until age 18; or
- has legal dependents other than a spouse (see the box below).

In unusual circumstances, the financial aid administrator at the student's school may make a special-case determination of independence even if the student initially filed as a dependent student.

TERMS USED IN THE DEFINITION OF AN INDEPENDENT STUDENT

VETERAN. A student who has engaged in active service in the U.S. Army, Navy, Air Force, Marines or Coast Guard and was released under a condition other than dishonorable—including a student who attended a U.S. military academy but withdrew in good standing—or a student who is not a veteran now but will be a veteran by June 30, 2000.

LEGAL DEPENDENT. Any child of the student who receives more than half support from the student (the child does not have to live with the student), including a natural or adopted child, or a child for whom the student is legal guardian. Also, any person who lives with the student and receives more than half of his or her support from the student and will continue to receive more than half support from the student during the award year.

Which students qualify for the simplified EFC formulas?

The criteria listed below determine which students may have their EFCs calculated by a simplified formula. Assets are not considered in the simplified EFC formulas.

For the 1999-2000 award year, a *dependent* student qualifies for the simplified EFC formula if *all* of the following are true:

(1) the student's *parents* filed or are eligible to file a 1998 IRS Form 1040A or 1040EZ* (they are not required to file a 1998 Form 1040), or the parents are not required to file any income tax return; *and*

(2) the *student* filed or is eligible to file a 1998 IRS Form 1040A or 1040EZ* (he or she is not required to file a 1998 Form 1040), or he or she is not required to file any income tax return; *and*

(3) the 1998 income of the student's *parents* from the two sources below is $49,999 or less (excluding any income of the dependent student):

- ❖ the parents' adjusted gross income from 1998 Form 1040A or 1040EZ* is $49,999 or less, and
- ❖ the income shown on the 1998 W-2 forms of both parents (plus any other earnings from work not included on the W-2s) is $49,999 or less.

For the 1999-2000 award year, an *independent* student qualifies for the simplified EFC formula if *both* of the following are true:

(1) the student (and the student's spouse, if any) filed or is eligible to file a 1998 IRS Form 1040A or 1040EZ (he or she is not required to file a 1998 Form 1040), or he or she is not required to file any income tax return; *and*

(2) the student's (and spouse's) 1998 income from the two sources below is $49,999 or less;

- ❖ the student's (and spouse's) adjusted gross income from 1998 Form 1040A or 1040EZ* is $49,999 or less, *and*
- ❖ the income shown on the student's (and spouse's) 1998 W-2 forms (plus any other earnings from work not included on the W-2s) is $49,999 or less.

*One of the following 1998 income tax forms may be filed as an alternative to filing a Form 1040A or 1040EZ: the income tax return required by the tax code of the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the republic of the Marshall Islands, the Federated States of Micronesia, or Palau.

Which students automatically qualify for a zero EFC?

Certain students are automatically eligible for a zero EFC. For the 1999-2000 award year, a *dependent student* automatically qualifies for a zero EFC if *both* of the following are true:

(1) the student's parents filed or are eligible to file a 1998 IRS Form 1040A or 1040EZ (they are not required to file a 1998 Form 1040), or the parents are not required to file any income tax return; *and*

(2) the sum of both parents' 1998 adjusted gross incomes is $12,000* or less, or if the parents are not tax filers, the sum of their earned incomes is $12,000 or less.

An *independent student with dependents other than a spouse* automatically qualifies for a zero EFC if *both* of the following are true:

(1) the student (and student's spouse, if any) filed or is eligible to file a 1998 IRS Form 1040A or 1040EZ (he or she is not required to file a 1998 Form 1040), or the student (and spouse) is not required to file any income tax return; *and*

(2) the sum of the 1998 adjusted gross income(s) of the student (and spouse) is $12,000* or less, or if the student (and spouse) are not tax filers, the sum of their earned income(s) is $12,000 or less.

Note that the automatic eligibility criteria for a zero EFC are not applicable to a single or married *independent student without dependents other than a spouse*.

Why might a calculation of an EFC using these worksheets differ from the EFC reported on a student's SAR?

When it appears that an applicant has reported inconsistent data, the central processing system may make certain assumptions to resolve the inconsistency. These assumed values, which are reported on the student's SAR, are used to calculate the student's EFC. Therefore, in some cases, the EFC produced by these worksheets may differ from the EFC produced by the central processing system if the data printed on the SAR are not used.

*This amount is based on the maximum amount of income, rounded to the nearest thousand, that may be earned in order to claim the Internal Revenue Service's "maximum federal earned income credit." The maximum amount of 1998 income that may be earned in order to claim the credit, when rounded to the nearest thousand, equals $12,000.

WORKSHEETS AND TABLES

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Simplified Worksheet A ..... pp. 11 through 13

Tables A1 through A7 (use with Worksheet A) .... pp. 15 through 18

EFC Formula Worksheet B ..... pp. 19 and 20

Simplified Worksheet B ..... pp. 21 and 22

Tables B1 through B4 (use with Worksheet B) ..... pp. 23 through 25

EFC Formula Worksheet C ..... pp. 27 and 28

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1999-2000 EFC FORMULA A: DEPENDENT STUDENT

REGULAR WORKSHEET Page 1 **A**

PARENTS' INCOME IN 1998		
1. Parents' Adjusted Gross Income (FAFSA/SAR #64)		
2. a. Father's income earned from work (FAFSA/SAR #68)		
2. b. Mother's income earned from work (FAFSA/SAR #69)	+	
Total parents' income earned from work	= 2.	
3. Parents' Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.)*		
4. Untaxed income and benefits: • Earned Income Credit (tax filers only) (FAFSA/SAR #67) • Total from FAFSA Worksheet A (FAFSA/SAR #70)	+	
Total untaxed income and benefits	= 4.	
5. Taxable and untaxed income (sum of line 3 and line 4)		
6. Total from FAFSA Worksheet B (FAFSA/SAR #71)	-	
7. TOTAL INCOME (line 5 minus line 6) May be a negative number.	=	

ALLOWANCES AGAINST PARENTS' INCOME		
8. 1998 U.S. income tax paid (FAFSA/SAR #65) (tax filers only); if negative, enter zero.		
9. State and other tax allowance (Table A1. If negative, enter zero.)	+	
10. Father's Social Security tax (Table A2)	+	
11. Mother's Social Security tax (Table A2)	+	
12. Income protection allowance (Table A3)	+	
13. Employment expense allowance: • Two working parents: 35% of the lesser of the earned incomes, or $2,800, whichever is less. • One parent families: 35% of earned income, or $2,800, whichever is less • Two-parent families, one working parent: zero	+	
14. TOTAL ALLOWANCES	=	

AVAILABLE INCOME		
Total income (from line 7)		
Total allowances (from line 14)	-	
15. AVAILABLE INCOME (AI) May be a negative number.	=	

* STOP HERE if both of the following are true: line 3 is $12,000 or less, *and* the parents are eligible to file a 1998 IRS Form 1040A or 1040EZ (they are not required to file a 1998 Form 1040), or they are not required to file any income tax return—the student's EFC is zero.

PARENTS' CONTRIBUTION FROM ASSETS		
16. Cash, savings, & checking (FAFSA/SAR #72)		
17. Net worth of real estate & investments** (FAFSA/SAR #73) If negative, enter zero.		
18. Net worth of business (FAFSA/SAR #74) If negative, enter zero.		
19. Net worth of farm (FAFSA/SAR #75) If negative, enter zero. If the family resides on the farm, enter zero.		
20. Net worth of business/farm (sum of lines 18 and 19)		
21. Adjusted net worth of business/farm (Calculate using Table A4.)	+	
22. **Net worth** (sum of lines 16, 17, and 21)	=	
23. Education savings and asset protection allowance (Table A5)	-	
24. **Discretionary net worth** (line 22 minus line 23)	=	
25. Asset conversion rate	X	.12
26. CONTRIBUTION FROM ASSETS If negative, enter zero.	=	

PARENTS' CONTRIBUTION		
Available income (AI) (from line 15)		
Contribution from assets (from line 26)	+	
27. **Adjusted available income (AAI)** May be a negative number.	=	
28. **Total parents' contribution from AAI** (Calculate using Table A6; if negative, enter zero.)		
29. **Number in college in 1999-2000** (FAFSA/SAR #78)	÷	
30. PARENTS' CONTRIBUTION (standard contribution for 9-month enrollment)		

** Do not include the family's home.

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REGULAR WORKSHEET Page 2 **A**

STUDENT'S INCOME IN 1998		
31. Adjusted Gross Income (FAFSA/SAR #41)		
32. Income earned from work (FAFSA/SAR #45)		
33. Taxable Income (If tax filer, enter the amount from line 31. If non-tax filer, enter the amount from line 32.)		
34. Total from FAFSA Worksheet A (FAFSA/SAR #47)		
35. Taxable and untaxed income (sum of line 33 and line 34)		
36. Total from FAFSA Worksheet B (FAFSA/SAR #48)		
37. TOTAL INCOME (line 35 minus line 36) May be a negative number.	=	

ALLOWANCES AGAINST STUDENT INCOME		
38. 1998 U.S. income tax paid (FAFSA/SAR #42) (tax filers only); if negative, enter zero.		
39. State and other tax allowance (Table A7. If negative, enter zero.)	+	
40. Social Security tax allowance (Table A2)	+	
41. Income protection allowance	+	2,200
42. TOTAL ALLOWANCES	=	

STUDENT CONTRIBUTION FROM INCOME		
Total income (from line 37)		
Total allowances (from line 42)	-	
43. Available income (AI)	=	
44. Assessment of AI	X	.50
45. STUDENT CONTRIBUTION FROM AI If negative, enter zero.	=	

STUDENT CONTRIBUTION FROM ASSETS		
46. Cash, savings, & checking (FAFSA/SAR #49)		
47. Net worth of real estate & investments* (FAFSA/SAR #50) If negative, enter zero.		
48. Net worth of business (FAFSA/SAR #51) If negative, enter zero.		
49. Net worth of farm (FAFSA/SAR #52) If negative, enter zero. If the family resides on the farm, enter zero.		
50. Net worth (sum of lines 46 through 49)	=	
51. Assessment rate	X	.35
52. CONTRIBUTION FROM ASSETS	=	

EXPECTED FAMILY CONTRIBUTION		
PARENTS' CONTRIBUTION (from line 30)		
STUDENT CONTRIBUTION FROM AI (from line 45)	+	
STUDENT CONTRIBUTION FROM ASSETS (from line 52)	+	
53. EXPECTED FAMILY CONTRIBUTION	=	

* Do not include the student's home.

NOTE: *Use this additional page to prorate the EFC only if the student will be enrolled for other than 9 months and only to determine the student's need for campus-based aid, a subsidized Federal Stafford Loan, or a subsidized Federal Direct Stafford Loan. Do not use this page to prorate the EFC for a Federal Pell Grant. The EFC for the Federal Pell Grant Program is the 9-month EFC used in conjunction with the cost of attendance to determine a Federal Pell Grant award from the Payment or Disbursement Schedule.*

REGULAR WORKSHEET Page 3 **A**

Calculation of Parents' Contribution for a Student Enrolled for LESS than 9 Months		
Parents' contribution (standard contribution for 9-month enrollment, from line 30)		
Divide by 9	÷	9
Parents' contribution per month	=	
Multiply by number of months enrollment	X	
Parents' contribution for LESS than 9-month enrollment *	=	

Calculation of Parents' Contribution for a Student Enrolled MORE than 9 Months		
a. Parents' adjusted available income (AAI) (from line 27—may be a negative number)		
b. Difference between the income protection allowance for a family of four and a family of five, with one in college	+	3,390
c. Alternate parents' AAI for more than 9-month enrollment (line a + line b)	=	
d. Total parents' contribution from AAI (calculate from Table A6, using alternate AAI)		
e. Number in college (FAFSA/SAR #78)	÷	
f. Alternate parents' contribution for student	=	
g. Standard parents' contribution for the student for 9-month enrollment (from line 30)	-	
h. Difference (line f minus line g)	=	
i. Divide line h by 12 months	÷	12
j. Parents' contribution per month	=	
k. Number of months student will be enrolled that exceed 9	X	
l. Adjustment to parents' contribution for months that exceed 9 (multiply line j by line k)	=	
m. Standard parents' contribution for 9-month enrollment (from line 30)	+	
n. Parents' contribution for MORE than 9-month enrollment *	=	

* Substitute the parents' contribution for LESS or MORE than 9-month enrollment in place of the parents' contribution for 9-month enrollment on EFC Formula Worksheet A, line 30.

1999-2000 EFC FORMULA A: DEPENDENT STUDENT

SIMPLIFIED WORKSHEET Page 1 **A**

PARENTS' INCOME IN 1998		
1. Parents' Adjusted Gross Income (FAFSA/SAR #64)		
2. a. Father's income earned from work (FAFSA/SAR #68)		
2. b. Mother's income earned from work (FAFSA/SAR #69)	+	
Total parents' income earned from work	= 2.	
3. Parents' Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.) *		
4. Untaxed income and benefits: • Earned Income Credit (tax filers only) (FAFSA/SAR #67)		
• Total from FAFSA Worksheet A (FAFSA/SAR #70)	+	
Total untaxed income and benefits	= 4.	
5. Taxable and untaxed income (sum of line 3 and line 4)		
6. Total from FAFSA Worksheet B (FAFSA/SAR #71)	-	
7. TOTAL INCOME (line 5 minus line 6) May be a negative number.	=	

ALLOWANCES AGAINST PARENTS' INCOME		
8. 1998 U.S. income tax paid (FAFSA/SAR #65) (tax filers only); if negative, enter zero.		
9. State and other tax allowance (Table A1. If negative, enter zero.)	+	
10. Father's Social Security tax (Table A2)	+	
11. Mother's Social Security tax (Table A2)	+	
12. Income protection allowance (Table A3)	+	
13. Employment expense allowance: • Two working parents: 35% of the lesser of the earned incomes, or $2,800, whichever is less. • One parent families: 35% of earned income, or $2,800, whichever is less. • Two-parent families, one working parent: zero	+	
14. TOTAL ALLOWANCES	=	

AVAILABLE INCOME		
Total income (from line 7)		
Total allowances (from line 14)	-	
15. AVAILABLE INCOME (AI) May be a negative number.	=	

* STOP HERE if both of the following are true: line 3 is $12,000 or less, *and* the parents are eligible to file a 1998 IRS Form 1040A or 1040EZ (they are not required to file a 1998 Form 1040, or they are not required to file any income tax return)—the student's EFC is zero.

PARENTS' CONTRIBUTION FROM ASSETS		
16. Cash, savings, & checking (FAFSA/SAR #72)		
17. Net worth of real estate & investments** (FAFSA/SAR #73) If negative, enter zero.		
18. Net worth of business (FAFSA/SAR #74) If negative, enter zero.		
19. Net worth of farm (FAFSA/SAR #75) If negative, enter zero. If the family resides on the farm, enter zero.		
20. Net worth of business/farm (sum of lines 18 and 19)		
21. Adjusted net worth of business/farm (Calculate using Table A4.)	+	
22. **Net worth** (sum of lines 16, 17, and 21)	=	
23. Education savings and asset protection allowance (Table A5)	-	
24. **Discretionary net worth** (line 22 minus line 23)	=	
25. Asset conversion rate	X	.12
26. CONTRIBUTION FROM ASSETS If negative, enter zero.	=	

PARENTS' CONTRIBUTION		
Available income (AI) (from line 15)		
Contribution from assets (from line 26)	+	
27. **Adjusted available income (AAI)** May be a negative number.	=	
28. **Total parents' contribution from AAI** (Calculate using Table A6; if negative, enter zero.)		
29. **Number in college in 1999-2000** (FAFSA/SAR #78)	÷	
30. PARENTS' CONTRIBUTION (standard contribution for 9-month enrollment)		

** Do not include the family's home.

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SIMPLIFIED WORKSHEET Page 2 **A**

STUDENT'S INCOME IN 1998		
31. Adjusted Gross Income (FAFSA/SAR #41)		
32. Income earned from work (FAFSA/SAR #45)		
33. Taxable Income (If tax filer, enter the amount from line 31. If non-tax filer, enter the amount from line 32.)		
34. Total from FAFSA Worksheet A (FAFSA/SAR #47)		
35. Taxable and untaxed income (sum of line 33 and line 34)		
36. Total from FAFSA Worksheet B (FAFSA/SAR #48)	-	
37. TOTAL INCOME (line 35 minus line 36) May be a negative number.	=	

ALLOWANCES AGAINST STUDENT INCOME		
38. 1998 U.S. income tax paid (FAFSA/SAR #42) (tax filers only); if negative, enter zero.		
39. State and other tax allowance (Table A7. If negative, enter zero.)	+	
40. Social Security tax allowance (Table A2)	+	
41. Income protection allowance	+	2,200
42. TOTAL ALLOWANCES	=	

STUDENT CONTRIBUTION FROM INCOME		
Total income (from line 37)		
Total allowances (from line 42)	-	
43. Available income (AI)	=	
44. Assessment of AI	X	.50
45. STUDENT CONTRIBUTION FROM AI If negative, enter zero.	=	

STUDENT CONTRIBUTION FROM ASSETS		
46. Cash, savings, & checking (FAFSA/SAR #49)		
47. Net worth of real estate & investments* (FAFSA/SAR #50) If negative, enter zero.		
48. Net worth of business (FAFSA/SAR #51) If negative, enter zero.		
49. Net worth of farm (FAFSA/SAR #52) If negative, enter zero. If the family resides on the farm, enter zero.		
50. Net worth (sum of lines 46 through 49)	=	
51. Assessment rate	X	.35
52. CONTRIBUTION FROM ASSETS	=	

EXPECTED FAMILY CONTRIBUTION		
PARENTS' CONTRIBUTION (from line 30)		
STUDENT CONTRIBUTION FROM AI (from line 45)	+	
STUDENT CONTRIBUTION FROM ASSETS (from line 52)	+	
53. **EXPECTED FAMILY CONTRIBUTION**	=	

* Do not include the student's home.

NOTE: *Use this additional page to prorate the EFC only if the student will be enrolled for other than 9 months and only to determine the student's need for campus-based aid, a subsidized Federal Stafford Loan, or a subsidized Federal Direct Stafford Loan. Do not use this page to prorate the EFC for a Federal Pell Grant. The EFC for the Federal Pell Grant Program is the 9-month EFC used in conjunction with the cost of attendance to determine a Federal Pell Grant award from the Payment or Disbursement Schedule.*

SIMPLIFIED WORKSHEET Page 3 **A**

Calculation of Parents' Contribution for a Student Enrolled for LESS than 9 Months		
Parents' contribution (standard contribution for 9-month enrollment, from line 30)		
Divide by 9	÷	9
Parents' contribution per month	=	
Multiply by number of months enrollment	X	
Parents' contribution for LESS than 9-month enrollment *	=	

Calculation of Parents' Contribution for a Student Enrolled MORE than 9 Months		
a. Parents' adjusted available income (AAI) (from line 27—may be a negative number)		
b. Difference between the income protection allowance for a family of four and a family of five, with one in college	+	3,390
c. Alternate parents' AAI for more than 9-month enrollment (line a + line b)	=	
d. Total parents' contribution from AAI (calculate from Table A6, using alternate AAI)		
e. Number in college (FAFSA/SAR #78)	÷	
f. Alternate parents' contribution for student	=	
g. Standard parents' contribution for the student for 9-month enrollment (from line 30)	-	
h. Difference (line f minus line g)	=	
i. Divide line h by 12 months	÷	12
j. Parents' contribution per month	=	
k. Number of months student will be enrolled that exceed 9	X	
l. Adjustment to parents' contribution for months that exceed 9 (multiply line j by line k)	=	
m. Standard parents' contribution for 9-month enrollment (from line 30)	+	
n. Parents' contribution for MORE than 9-month enrollment *	=	

* Substitute the parents' contribution for LESS or MORE than 9-month enrollment in place of the parents' contribution for 9-month enrollment on EFC Formula Worksheet A, line 30.

Table A1: State and Other Tax Allowance

for EFC Formula Worksheet A (parents only)

STATE	PERCENT OF TOTAL INCOME		STATE	PERCENT OF TOTAL INCOME	
	$0-14,999	$15,000 or more		$0-14,999	$15,000 or more
Alabama	5%	4%	Missouri	6%	5%
Alaska	3%	2%	Montana	8%	7%
American Samoa	4%	3%	Nebraska	8%	7%
Arizona	6%	5%	Nevada	3%	2%
Arkansas	6%	5%	New Hampshire	7%	6%
California	8%	7%	New Jersey	8%	7%
Canada	4%	3%	New Mexico	6%	5%
Colorado	7%	6%	New York	11%	10%
Connecticut	6%	5%	North Carolina	8%	7%
Delaware	8%	7%	North Dakota	6%	5%
District of Columbia	10%	9%	Northern Mariana Islands	4%	3%
Federated States of Micronesia	4%	3%	Ohio	8%	7%
Florida	4%	3%	Oklahoma	6%	5%
Georgia	7%	6%	Oregon	10%	9%
Guam	4%	3%	Palau	4%	3%
Hawaii	8%	7%	Pennsylvania	7%	6%
Idaho	7%	6%	Puerto Rico	4%	3%
Illinois	6%	5%	Rhode Island	9%	8%
Indiana	6%	5%	South Carolina	8%	7%
Iowa	8%	7%	South Dakota	4%	3%
Kansas	7%	6%	Tennessee	3%	2%
Kentucky	7%	6%	Texas	3%	2%
Louisiana	4%	3%	Utah	8%	7%
Maine	9%	8%	Vermont	8%	7%
Marshall Islands	4%	3%	Virgin Islands	4%	3%
Maryland	9%	8%	Virginia	8%	7%
Massachusetts	9%	8%	Washington	4%	3%
Mexico	4%	3%	West Virginia	6%	5%
Michigan	9%	8%	Wisconsin	10%	9%
Minnesota	9%	8%	Wyoming	3%	2%
Mississippi	5%	4%	Blank or invalid State	4%	3%
			OTHER	4%	3%

Multiply parents' total income (from EFC formula Worksheet A, line 7) by the appropriate rate from the table above to get the "state and other tax allowance." Use the parents' STATE OF LEGAL RESIDENCE (FAFSA/SAR #79). If this item is blank or invalid, use the student's STATE OF LEGAL RESIDENCE (FAFSA/SAR #25). If both items are blank or invalid, use the STATE in the student's mailing address (FAFSA/SAR #6). If all three items are blank or invalid, use the rate for a blank or invalid state above.

Table A2: Social Security Tax

Calculate separately the Social Security tax of father, mother, and student.

Income Earned from Work *	Social Security Tax
$0 - $68,400	7.65% of income
$68,401 or greater	$5,232.60 + 1.45% of amount over $68,400

* Father's 1998 income earned from work is FAFSA/SAR #68.
Mother's 1998 income earned from work is FAFSA/SAR #69.
Student's 1998 income earned from work is FAFSA/SAR #45.
Social Security tax will never be less than zero.

Table A3: Income Protection Allowance

Number in parents' household, including student (FAFSA/SAR #77)	Number of college students in household (FAFSA/SAR #50)				
	1	2	3	4	5
2	$12,260	$10,160	———	———	———
3	15,260	13,180	$11,080	———	———
4	18,850	16,750	14,670	$12,570	———
5	22,240	20,140	18,060	15,960	$13,880
6	26,010	23,920	21,830	19,740	17,650

NOTE: For each additional family member, add $2,940.
For each additional college student, subtract $2,090.

Table A4: Business/Farm Net Worth Adjustment

for EFC Formula Worksheet A (parents only)

If the net worth of a business or farm is—	Then the adjusted net worth is—
Less than $1	$0
$1 to $85,000	40% of net worth of business & farm
$85,001 to $260,000	$ 34,000 + 50% of excess over $85,000
$260,001 to $435,000	$121,500 + 60% of excess over $260,000
$435,001 or more	$226,500 + 100% of excess over $435,000

Table A5: Education Savings and Asset Protection Allowance

for EFC Formula Worksheet A (parents only)

AGE OF OLDER PARENT *	Allowance if there are two parents	Allowance if there is only one parent	AGE OF OLDER PARENT *	Allowance if there are two parents	Allowance if there is only one parent
25 or less..	0	0	45	42,500	26,800
26	2,500	1,600	46	43,500	27,400
27	5,000	3,200	47	44,600	28,000
28	7,500	4,800	48	45,800	28,700
29	10,000	6,400	49	46,900	29,400
30	12,500	8,000	50	48,400	30,100
31	15,000	9,600	51	49,600	30,700
32	17,500	11,200	52	50,900	31,600
33	19,900	12,900	53	52,500	32,300
34	22,400	14,500	54	53,800	33,100
35	24,900	16,100	55	55,400	33,900
36	27,400	17,700	56	57,100	34,700
37	29,900	19,300	57	58,900	35,700
38	32,400	20,900	58	60,700	36,500
39	34,900	22,500	59	62,500	37,600
40	37,400	24,100	60	64,400	38,700
41	38,400	24,500	61	66,600	39,700
42	39,400	25,100	62	69,000	40,900
43	40,400	25,600	63	71,000	42,000
44	41,400	26,200	64	73,400	43,200
			65 or more	75,900	44,400

AGE OF OLDER PARENT is FAFSA/SAR #82; if blank, use age 45 on the table.

Table A6: Parents' Contribution From AAI

If parents' AAI is—	The parents' contribution from AAI is—
Less than -$3,409	-$750
-$3,409 to $11,000	22% of AAI
$11,001 to $13,700	$2,420 + 25% of AAI over $11,000
$13,701 to $16,500	$3,095 + 29% of AAI over $13,700
$16,501 to $19,300	$3,907 + 34% of AAI over $16,500
$19,301 to $22,100	$4,859 + 40% of AAI over $19,300
$22,101 or more	$5,979 + 47% of AAI over $22,100

Table A7: State and Other Tax Allowance

for EFC Formula Worksheet A (student only)

Alabama	3%	Missouri	3%
Alaska	0%	Montana	5%
American Samoa	2%	Nebraska	4%
Arizona	3%	Nevada	0%
Arkansas	4%	New Hampshire	1%
California	5%	New Jersey	3%
Canada	2%	New Mexico	4%
Colorado	4%	New York	7%
Connecticut	2%	North Carolina	5%
Delaware	5%	North Dakota	2%
District of Columbia	7%	Northern Mariana Islands	2%
Federated States of Micronesia	2%	Ohio	5%
Florida	1%	Oklahoma	4%
Georgia	4%	Oregon	6%
Guam	2%	Palau	2%
Hawaii	6%	Pennsylvania	3%
Idaho	5%	Puerto Rico	2%
Illinois	2%	Rhode Island	4%
Indiana	4%	South Carolina	5%
Iowa	5%	South Dakota	0%
Kansas	4%	Tennessee	0%
Kentucky	5%	Texas	0%
Louisiana	2%	Utah	5%
Maine	5%	Vermont	4%
Marshall Islands	2%	Virgin Islands	2%
Maryland	6%	Virginia	4%
Massachusetts	5%	Washington	0%
Mexico	2%	West Virginia	4%
Michigan	4%	Wisconsin	5%
Minnesota	6%	Wyoming	0%
Mississippi	3%	Blank or Invalid State	2%
		OTHER	2%

Multiply the total income of student (EFC Formula Worksheet A, line 37) by the appropriate rate from the table above to get the "state and other tax allowance." Use the student's STATE OF LEGAL RESIDENCE (FAFSA/SAR #25). If this item is blank or invalid, use the STATE in student's mailing address (FAFSA/SAR #6). If both items are blank or invalid, use the parents' STATE OF LEGAL RESIDENCE (FAFSA/SAR #79). If all three items are blank or invalid, use the rate for a blank or invalid state above.

1999-2000 EFC FORMULA B: INDEPENDENT STUDENT Without Dependent(s) Other Than A Spouse

REGULAR WORKSHEET **B**

STUDENT/SPOUSE INCOME IN 1998		
1. Student's and spouse's Adjusted Gross Income (FAFSA/SAR #41)		
2. a. Student's income earned from work (FAFSA/SAR #45)		
2. b. Spouse's income earned from work (FAFSA/SAR #46)	+	
Total student/spouse income earned from work	= 2.	
3. Student/spouse Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.)		
4. Untaxed income and benefits: • Earned Income Credit (tax filers only) (FAFSA/SAR #44)		
• Total from FAFSA Worksheet A (FAFSA/SAR #47)	+	
Total untaxed income and benefits	= 4.	
5. Taxable and untaxed income (sum of line 3 and line 4)		
6. Total from FAFSA Worksheet B (FAFSA/SAR #48)	-	
7. **TOTAL INCOME** (line 5 minus line 6) May be a negative number.	=	

ALLOWANCES AGAINST STUDENT/SPOUSE INCOME		
8. 1998 U.S. income tax paid (FAFSA/SAR #42) (tax filers only); if negative, enter zero.		
9. State and other tax allowance (Table B1. If negative, enter zero.)	+	
10. Student's Social Security tax (Table B2)	+	
11. Spouse's Social Security tax (Table B2)	+	
12. Income protection allowance: • $4,250 for unmarried student; • $4,250 for married student if both student & spouse are enrolled at least 1/2 time; • $7,250 for married student if only the student is enrolled at least 1/2 time.	+	
13. Employment expense allowance: • If student is not married, allowance is zero. • If student is married but only one person is working (the student or spouse), the allowance is zero. • If student is married and both student and spouse are working, the allowance is 35% of the lesser of the earned incomes or $2,800, whichever is less.	+	
14. **TOTAL ALLOWANCES**	=	

CONTRIBUTION FROM AVAILABLE INCOME		
Total income (from line 7)		
Total allowances (from line 14)	-	
15. **AVAILABLE INCOME (AI)**	=	
16. Assessment rate	X	.50
17. **CONTRIBUTION FROM AI** May be a negative number.	=	

STUDENT/SPOUSE CONTRIBUTION FROM ASSETS		
18. Cash, savings, & checking (FAFSA/SAR #49)		
19. Net worth of real estate & investments* (FAFSA/SAR #50) If negative, enter zero.		
20. Net worth of business (FAFSA/SAR #51) If negative, enter zero.		
21. Net worth of farm (FAFSA/SAR #52) If negative, enter zero. If the family resides on the farm, enter zero.		
22. Net worth of business/farm (sum of lines 20 and 21)		
23. Adjusted net worth of business/farm (Calculate using Table B3.)		
24. **Net worth** (sum of lines 18, 19, and 23)	=	
25. Asset protection allowance (Table B4)	-	
26. **Discretionary net worth** (line 24 minus line 25)	=	
27. Asset conversion rate	X	.35
28. **CONTRIBUTION FROM ASSETS** If negative, enter zero.	=	

EXPECTED FAMILY CONTRIBUTION		
Contribution from AI (from line 17) May be a negative number.		
Contribution from assets (from line 28)	+	
29. **Contribution from AI and assets**	=	
30. **Number in college in 1999-2000** (FAFSA/SAR #60)	÷	
31. **EXPECTED FAMILY CONTRIBUTION** for 9-month enrollment (if negative, enter zero) **	=	

* Do not include the student's home.

** To calculate the student's contribution for other than 9-month enrollment, see the next page.

NOTE: *Use this additional page to prorate the EFC only if the student will be enrolled for other than 9 months and only to determine the student's need for campus-based aid, a subsidized Federal Stafford Loan, or a subsidized Federal Direct Stafford Loan. Do not use this page to prorate the EFC for a Federal Pell Grant. The EFC for the Federal Pell Grant Program is the 9-month EFC used in conjunction with the cost of attendance to determine a Federal Pell Grant award from the Payment or Disbursement Schedule.*

REGULAR WORKSHEET Page 2 **B**

Calculation of Expected Family Contribution for a Student Enrolled for Other than 9 Months		
Expected Family Contribution (standard contribution for 9-month enrollment, from line 31)		
Divide by 9	÷	9
Expected Family Contribution per month	=	
Multiply by number of months enrollment	X	
Expected Family Contribution for other than 9-month enrollment	=	

1999-2000 EFC FORMULA B: INDEPENDENT STUDENT Without Dependent(s) Other Than A Spouse

SIMPLIFIED WORKSHEET **B**

STUDENT/SPOUSE INCOME IN 1998		
1. Student's and spouse's Adjusted Gross Income (FAFSA/SAR #41)		
2. a. Student's income earned from work (FAFSA/SAR #45)		
2. b. Spouse's income earned from work (FAFSA/SAR #46)	+	
Total student/spouse income earned from work	= 2.	
3. Student/spouse Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.)		
4. Untaxed income and benefits: • Earned Income Credit (tax filers only) (FAFSA/SAR #44)		
• Total from FAFSA Worksheet A (FAFSA/SAR #47)	+	
Total untaxed income and benefits	= 4.	
5. Taxable and untaxed income (sum of line 3 and line 4)		
6. Total from FAFSA Worksheet B (FAFSA/SAR #48)	-	
7. TOTAL INCOME (line 5 minus line 6) May be a negative number.	=	

ALLOWANCES AGAINST STUDENT/SPOUSE INCOME		
8. 1998 U.S. income tax paid (FAFSA/SAR #42) (tax filers only); if negative, enter zero.		
9. State and other tax allowance (Table B1. If negative, enter zero.)	+	
10. Student's Social Security tax (Table B2)	+	
11. Spouse's Social Security tax (Table B2)	+	
12. Income protection allowance: • $4,250 for unmarried student; • $4,250 for married student if both student & spouse are enrolled at least 1/2 time; • $7,250 for married student if only the student is enrolled at least 1/2 time.	+	
13. Employment expense allowance: • If student is not married, allowance is zero. • If student is married but only one person is working (the student or spouse), the allowance is zero. • If student is married and both student and spouse are working, the allowance is 35% of the lesser of the earned incomes or $2,800, whichever is less.	+	
14. TOTAL ALLOWANCES	=	

CONTRIBUTION FROM AVAILABLE INCOME		
Total income (from line 7)		
Total allowances (from line 14)	-	
15. AVAILABLE INCOME (AI)	=	
16. Assessment rate	X	.50
17. CONTRIBUTION FROM AI May be a negative number.	=	

STUDENT/SPOUSE CONTRIBUTION FROM ASSETS		
18. Cash, savings, & checking (FAFSA/SAR #49)		
19. Net worth of real estate & investments* (FAFSA/SAR #50) If negative, enter zero.		
20. Net worth of business (FAFSA/SAR #51) If negative, enter zero.		
21. Net worth of farm (FAFSA/SAR #52) If negative, enter zero. If the family resides on the farm, enter zero.		
22. Net worth of business/farm (sum of lines 20 and 21)		
23. Adjusted net worth of business/farm (Calculate using Table B3.)		
24. Net worth (sum of lines 18, 19, and 23)	=	
25. Asset protection allowance (Table B4)	-	
26. Discretionary net worth (line 24 minus line 25)	=	
27. Asset conversion rate	X	.35
28. CONTRIBUTION FROM ASSETS If negative, enter zero.	=	

EXPECTED FAMILY CONTRIBUTION		
Contribution from AI (from line 17) May be a negative number		
Contribution from assets (from line 28)	+	
29. Contribution from AI and assets	=	
30. Number in college in 1999-2000 (FAFSA/SAR #60)		
31. EXPECTED FAMILY CONTRIBUTION for 9-month enrollment (if negative, enter zero) **	=	

* Do not include the student's home.

** To calculate the student's contribution for other than 9-month enrollment, see the next page.

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NOTE: *Use this additional page to prorate the EFC only if the student will be enrolled for other than 9 months and only to determine the student's need for campus-based aid, a subsidized Federal Stafford Loan, or a subsidized Federal Direct Stafford Loan. Do not use this page to prorate the EFC for a Federal Pell Grant. The EFC for the Federal Pell Grant Program is the 9-month EFC used in conjunction with the cost of attendance to determine a Federal Pell Grant award from the Payment or Disbursement Schedule.*

SIMPLIFIED WORKSHEET Page 2 **B**

Calculation of Expected Family Contribution for a Student Enrolled for Other than 9 Months		
Expected Family Contribution (standard contribution for 9-month enrollment, from line 31)		
Divide by 9	÷	9
Expected Family Contribution per month	=	
Multiply by number of months enrollment	X	
Expected Family Contribution for other than 9-month enrollment	=	

Table B1: State and Other Tax Allowance

Alabama	3%	Missouri	3%
Alaska	0%	Montana	5%
American Samoa	2%	Nebraska	4%
Arizona	3%	Nevada	0%
Arkansas	4%	New Hampshire	1%
California	5%	New Jersey	3%
Canada	2%	New Mexico	4%
Colorado	4%	New York	7%
Connecticut	2%	North Carolina	5%
Delaware	5%	North Dakota	2%
District of Columbia	7%	Northern Mariana Islands	2%
Federated States of Micronesia	2%	Ohio	5%
Florida	1%	Oklahoma	4%
Georgia	4%	Oregon	6%
Guam	2%	Palau	2%
Hawaii	6%	Pennsylvania	3%
Idaho	5%	Puerto Rico	2%
Illinois	2%	Rhode Island	4%
Indiana	4%	South Carolina	5%
Iowa	5%	South Dakota	0%
Kansas	4%	Tennessee	0%
Kentucky	5%	Texas	0%
Louisiana	2%	Utah	5%
Maine	5%	Vermont	4%
Marshall Islands	2%	Virgin Islands	2%
Maryland	6%	Virginia	4%
Massachusetts	5%	Washington	0%
Mexico	2%	West Virginia	4%
Michigan	4%	Wisconsin	5%
Minnesota	6%	Wyoming	0%
Mississippi	3%	Blank or Invalid State	2%
		OTHER	2%

Multiply the total income of student and spouse (EFC Formula Worksheet B, line 7) by the appropriate rate from table above to get the "state and other tax allowance." Use the student's STATE OF LEGAL RESIDENCE (FAFSA/SAR #25) reported on the FAFSA. If this item is blank or invalid, use the state in the student's mailing address (FAFSA/SAR #6). If both items are blank or invalid, use rate for blank or invalid state above.

Table B2: Social Security Tax

Calculate separately the Social Security tax of student and spouse.

Income Earned from Work *	Social Security Tax
$0 - $68,400	7.65% of income
$68,401 or greater	$5,232.60 + 1.45% of amount over $68,400

* Student's 1998 income earned from work is FAFSA/SAR #45.
Spouse's 1998 income earned from work is FAFSA/SAR #46.
Social Security tax will never be less than zero.

Table B3: Business/Farm Net Worth Adjustment

If the net worth of a business or farm is—	Then the adjusted net worth is—
Less than $1	$0
$1 to $85,000	40% of net worth of business & farm
$85,001 to $260,000	$ 34,000 + 50% of excess over $85,000
$260,001 to $435,000	$121,500 + 60% of excess over $260,000
$435,001 or more	$226,500 + 100% of excess over $435,000

Table B4
Asset Protection Allowance

Age of student as of 12/31/99 *	Allowance for— Married Student	Unmarried Student
25 or less..	0	0
26	2,500	1,600
27	5,000	3,200
28	7,500	4,800
29	10,000	6,400
30	12,500	8,000
31	15,000	9,600
32	17,500	11,200
33	19,900	12,900
34	22,400	14,500
35	24,900	16,100
36	27,400	17,700
37	29,900	19,300
38	32,400	20,900
39	34,900	22,500
40	37,400	24,100
41	38,400	24,500
42	39,400	25,100
43	40,400	25,600
44	41,400	26,200
45	42,500	26,800
46	43,500	27,400
47	44,600	28,000
48	45,800	28,700
49	46,900	29,400
50	48,400	30,100
51	49,600	30,700
52	50,900	31,600
53	52,500	32,300
54	53,800	33,100
55	55,400	33,900
56	57,100	34,700
57	58,900	35,700
58	60,700	36,500
59	62,500	37,600
60	64,400	38,700
61	66,600	39,700
62	69,000	40,900
63	71,000	42,000
64	73,400	43,200
65 or more	75,900	44,400

* Determine student's age as of 12/31/99 from student's date of birth (FAFSA/SAR #9)

1999-2000 EFC FORMULA C : INDEPENDENT STUDENT With Dependent(s) Other Than A Spouse

REGULAR WORKSHEET **C**

STUDENT/SPOUSE INCOME IN 1998		
1. Student's and spouse's Adjusted Gross Income (FAFSA/SAR #41)		
2. a. Student's income earned from work (FAFSA/SAR #45)		
2. b. Spouse's income earned from work (FAFSA/SAR #46)	+	
Total student/spouse income earned from work	= 2.	
3. Student/spouse Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.)		
4. Untaxed income and benefits: • Earned Income Credit (tax filers only) (FAFSA/SAR #44)		
• Total from FAFSA Worksheet A (FAFSA/SAR #47)	+	
Total untaxed income and benefits	= 4.	
5. Taxable and untaxed income (sum of line 3 and line 4)		
6. Total from FAFSA Worksheet B (FAFSA/SAR #48)	-	
7. **TOTAL INCOME** (line 5 minus line 6) May be a negative number.	=	

ALLOWANCES AGAINST STUDENT/SPOUSE INCOME		
8. 1998 U.S. income tax paid (FAFSA/SAR #42) (tax filers only); if negative, enter zero.		
9. State and other tax allowance (Table C1. If negative, enter zero.)	+	
10. Student's Social Security tax (Table C2)	+	
11. Spouse's Social Security tax (Table C2)	+	
12. Income protection allowance (Table C3)	+	
13. Employment expense allowance: • Student and spouse both working: 35% of the lesser of the earned incomes, or $2,800, whichever is less. • One-parent families: 35% of earned income, or $2,800, whichever is less) • Student or spouse working (not both): zero	+	
14. **TOTAL ALLOWANCES**	=	

AVAILABLE INCOME		
Total income (from line 7)		
Total allowances (from line 14)	-	
15. **AVAILABLE INCOME (AI)** May be a negative number.	=	

* STOP HERE if both of the following are true: line 3 is $12,000 or less, *and* the student & spouse are eligible to file a 1998 IRS Form 1040A or 1040EZ (they are not required to file a 1998 Form 1040, or they are not required to file any income tax return)—the student's EFC is zero.

STUDENT/SPOUSE CONTRIBUTION FROM ASSETS		
16. Cash, savings, & checking (FAFSA/SAR #49)		
17. Net worth of real estate & investments** (FAFSA/SAR #50) If negative, enter zero.		
18. Net worth of business (FAFSA/SAR #51) If negative, enter zero.		
19. Net worth of farm (FAFSA/SAR #52) If negative, enter zero. If the family resides on the farm, enter zero.		
20. Net worth of business/farm (sum of lines 18 and 19)		
21. Adjusted net worth of business/farm (Calculate using Table C4.)	+	
22. **Net worth** (sum of lines 16, 17, and 21)	=	
23. Asset protection allowance (Table C5)	-	
24. **Discretionary net worth** (line 22 minus line 23)	=	
25. Asset conversion rate	X	.12
26. **CONTRIBUTION FROM ASSETS** If negative, enter zero.	=	

EXPECTED FAMILY CONTRIBUTION		
Available income (AI) (from line 15)		
Contribution from assets (from line 26)	+	
27. **Adjusted available income (AAI)** May be a negative number	=	
28. **Total contribution from AAI** (Calculate using Table C6; if negative, enter zero.)		
29. **Number in college in 1999-2000** (FAFSA/SAR #60)	÷	
30. **EXPECTED FAMILY CONTRIBUTION** for 9-month enrollment ***	=	

** Do not include the student's home.

*** To calculate the EFC for other than 9-month enrollment, see the next page.

NOTE: *Use this additional page to prorate the EFC only if the student will be enrolled for other than 9 months and only to determine the student's need for campus-based aid, a subsidized Federal Stafford Loan, or a subsidized Federal Direct Stafford Loan. Do not use this page to prorate the EFC for a Federal Pell Grant. The EFC for the Federal Pell Grant Program is the 9-month EFC used in conjunction with the cost of attendance to determine a Federal Pell Grant award from the Payment or Disbursement Schedule.*

REGULAR WORKSHEET Page 2 **C**

Calculation of Expected Family Contribution for a Student Enrolled for Other than 9 Months		
Expected Family Contribution (standard contribution for 9-month enrollment, from line 31)		
Divide by 9	÷	9
Expected Family Contribution per month	=	
Multiply by number of months enrollment	X	
Expected Family Contribution for other than 9-month enrollment	=	

1999-2000 EFC FORMULA C : INDEPENDENT STUDENT
With Dependent(s) Other Than A Spouse

SIMPLIFIED WORKSHEET **C**

STUDENT/SPOUSE INCOME IN 1998		
1. Student's and spouse's Adjusted Gross Income (FAFSA/SAR #41)		
2. a. Student's income earned from work (FAFSA/SAR #45)		
2. b. Spouse's income earned from work (FAFSA/SAR #46)	+	
Total student/spouse income earned from work	= 2.	
3. Student/spouse Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.)		
4. Untaxed income and benefits: • Earned Income Credit (tax filers only) (FAFSA/SAR #44)		
• Total from FAFSA Worksheet A (FAFSA/SAR #47)	+	
Total untaxed income and benefits	= 4.	
5. Taxable and untaxed income (sum of line 3 and line 4)		
6. Total from FAFSA Worksheet B (FAFSA/SAR #48)	-	
7. TOTAL INCOME (line 5 minus line 6) May be a negative number.	=	

ALLOWANCES AGAINST STUDENT/SPOUSE INCOME		
8. 1998 U.S. income tax paid (FAFSA/SAR #42) (tax filers only); if negative, enter zero.		
9. State and other tax allowance (Table C1. If negative, enter zero.)	+	
10. Student's Social Security tax (Table C2)	+	
11. Spouse's Social Security tax (Table C2)	+	
12. Income protection allowance (Table C3)	+	
13. Employment expense allowance: • Student and spouse both working: 35% of the lesser of the earned incomes, or $2,800, whichever is less. • One-parent families: 35% of earned income, or $2,800, whichever is less)		
• Student or spouse working (not both): zero	+	
14. TOTAL ALLOWANCES	=	

AVAILABLE INCOME		
Total income (from line 7)		
Total allowances (from line 14)	-	
15. AVAILABLE INCOME (AI) May be a negative number.	=	

* STOP HERE if both of the following are true: line 3 is $12,000 or less, *and* the student & spouse are eligible to file a 1998 IRS Form 1040A or 1040EZ (they are not required to file a 1998 Form 1040, or they are not required to file any income tax return)—the student's EFC is zero.

STUDENT/SPOUSE CONTRIBUTION FROM ASSETS		
16. Cash, savings, & checking (FAFSA/SAR #49)		
17. Net worth of real estate & investments** (FAFSA/SAR #50) If negative, enter zero.		
18. Net worth of business (FAFSA/SAR #51) If negative, enter zero.		
19. Net worth of farm (FAFSA/SAR #52) If negative, enter zero. If the family resides on the farm, enter zero.		
20. Net worth of business/farm (sum of lines 18 and 19)		
21. Adjusted net worth of business/farm (Calculate using Table C4.)	+	
22. **Net worth** (sum of lines 16, 17, and 21)	=	
23. Asset protection allowance (Table C5)	-	
24. **Discretionary net worth** (line 22 minus line 23)	=	
25. Asset conversion rate	X	.12
26. CONTRIBUTION FROM ASSETS If negative, enter zero.	=	

EXPECTED FAMILY CONTRIBUTION		
Available income (AI) (from line 15)		
Contribution from assets (from line 26)	+	
27. **Adjusted available income (AAI)** May be a negative number.	=	
28. **Total contribution from AAI** (Calculate using Table C6. If negative, enter zero.)		
29. **Number in college in 1999-2000** (FAFSA/SAR #60)		
30. EXPECTED FAMILY CONTRIBUTION for 9-month enrollment ***	=	

** Do not include the family's home.

*** To calculate the EFC for other than 9-month enrollment, see the next page.

NOTE: *Use this additional page to prorate the EFC only if the student will be enrolled for other than 9 months and only to determine the student's need for campus-based aid, a subsidized Federal Stafford Loan, or a subsidized Federal Direct Stafford Loan. Do not use this page to prorate the EFC for a Federal Pell Grant. The EFC for the Federal Pell Grant Program is the 9-month EFC used in conjunction with the cost of attendance to determine a Federal Pell Grant award from the Payment or Disbursement Schedule.*

SIMPLIFIED WORKSHEET Page 2 **C**

Calculation of Expected Family Contribution for a Student Enrolled for Other than 9 Months		
Expected Family Contribution (standard contribution for 9-month enrollment, from line 31)		
Divide by 9	+	9
Expected Family Contribution per month	=	
Multiply by number of months enrollment	X	
Expected Family Contribution for other than 9-month enrollment	=	

Table C1: State and Other Tax Allowance

STATE	PERCENT OF TOTAL INCOME		STATE	PERCENT OF TOTAL INCOME	
	$0-14,999	$15,000 or more		$0-14,999	$15,000 or more
Alabama	5%	4%	Missouri	6%	5%
Alaska	3%	2%	Montana	8%	7%
American Samoa	4%	3%	Nebraska	8%	7%
Arizona	6%	5%	Nevada	3%	2%
Arkansas	6%	5%	New Hampshire	7%	6%
California	8%	7%	New Jersey	8%	7%
Canada	4%	3%	New Mexico	6%	5%
Colorado	7%	6%	New York	11%	10%
Connecticut	6%	5%	North Carolina	8%	7%
Delaware	8%	7%	North Dakota	6%	5%
District of Columbia	10%	9%	Northern Mariana Islands	4%	3%
Federated States of Micronesia	4%	3%	Ohio	8%	7%
Florida	4%	3%	Oklahoma	6%	5%
Georgia	7%	6%	Oregon	10%	9%
Guam	4%	3%	Palau	4%	3%
Hawaii	8%	7%	Pennsylvania	7%	6%
Idaho	7%	6%	Puerto Rico	4%	3%
Illinois	6%	5%	Rhode Island	9%	8%
Indiana	6%	5%	South Carolina	8%	7%
Iowa	8%	7%	South Dakota	4%	3%
Kansas	7%	6%	Tennessee	3%	2%
Kentucky	7%	6%	Texas	3%	2%
Louisiana	4%	3%	Utah	8%	7%
Maine	9%	8%	Vermont	8%	7%
Marshall Islands	4%	3%	Virgin Islands	4%	3%
Maryland	9%	8%	Virginia	8%	7%
Massachusetts	9%	8%	Washington	4%	3%
Mexico	4%	3%	West Virginia	6%	5%
Michigan	9%	8%	Wisconsin	10%	9%
Minnesota	9%	8%	Wyoming	3%	2%
Mississippi	5%	4%	Blank or invalid State	4%	3%
			OTHER	4%	3%

Multiply the total income of student and spouse (from EFC Formula Worksheet C, line 7) by the appropriate rate from the table above to get the "state and other tax allowance." Use the student's STATE OF LEGAL RESIDENCE (FAFSA/SAR #25) reported on the FAFSA. If this item is blank or invalid, use the STATE in the student's mailing address (FAFSA/SAR #6). If both items are blank or invalid, use the rate for blank or invalid state above.

Table C2: Social Security Tax

Calculate separately the Social Security tax of student and spouse.

Income Earned from Work *	Social Security Tax
$0 - $68,400	7.65% of income
$68,401 or greater	$5,232.60 + 1.45% of amount over $68,400

* Student's 1998 income earned from work is FAFSA/SAR #45.
Spouse's 1998 income earned from work is FAFSA/SAR #46.
Social Security tax will never be less than zero.

Table C3: Income Protection Allowance

Number in student's household, including student (FAFSA/SAR #59)	Number of college students in household (FAFSA/SAR #60)				
	1	2	3	4	5
2	$12,260	$10,160	———	———	———
3	15,260	13,180	$11,080	———	———
4	18,850	16,750	14,670	$12,570	———
5	22,240	20,140	18,060	15,960	$13,880
6	26,010	23,920	21,830	19,740	17,650

NOTE: For each additional family member, add $2,940.
For each additional college student, subtract $2,090.

Table C4: Business/Farm Net Worth Adjustment

If the net worth of a business or farm is—	Then the adjusted net worth is—
Less than $1	$0
$1 to $85,000	40% of net worth of business & farm
$85,001 to $260,000	$ 34,000 + 50% of excess over $85,000
$260,001 to $435,000	$121,500 + 60% of excess over $260,000
$435,001 or more	$226,500 + 100% of excess over $435,000

Table C5: Asset Protection Allowance

Age of student as of 12/31/99*	Allowance for— Married Student	Unmarried Student	Age of student as of 12/31/99*	Allowance for— Married Student	Unmarried Student
25 or less	0	0	45	42,500	26,800
26	2,500	1,600	46	43,500	27,400
27	5,000	3,200	47	44,600	28,000
28	7,500	4,800	48	45,800	28,700
29	10,000	6,400	49	46,900	29,400
30	12,500	8,000	50	48,400	30,100
31	15,000	9,600	51	49,600	30,700
32	17,500	11,200	52	50,900	31,600
33	19,900	12,900	53	52,500	32,300
34	22,400	14,500	54	53,800	33,100
35	24,900	16,100	55	55,400	33,900
36	27,400	17,700	56	57,100	34,700
37	29,900	19,300	57	58,900	35,700
38	32,400	20,900	58	60,700	36,500
39	34,900	22,500	59	62,500	37,600
40	37,400	24,100	60	64,400	38,700
41	38,400	24,500	61	66,600	39,700
42	39,400	25,100	62	69,000	40,900
43	40,400	25,600	63	71,000	42,000
44	41,400	26,200	64	73,400	43,200
			65 or more	75,900	44,400

* Determine student's age as of 12/31/99 from student's date of birth (FAFSA/SAR #9)

Table C6: Contribution From AAI

If student's AAI is—	The student's contribution from AAI is—
Less than -$3,409	-$750
-$3,409 to $11,000	22% of AAI
$11,001 to $13,700	$2,420 + 25% of AAI over $11,000
$13,701 to $16,500	$3,095 + 29% of AAI over $13,700
$16,501 to $19,300	$3,907 + 34% of AAI over $16,500
$19,301 to $22,100	$4,859 + 40% of AAI over $19,300
$22,101 or more	$5,979 + 47% of AAI over $22,100